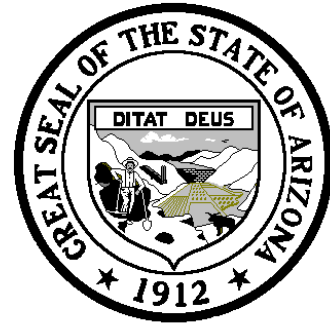


International Trade Plan
House Committee on International Trade



International Trade Plan adopted
April 2023

Committee Members:

Representative David Cook, Chairman
Representative Justin Wilmeth, Vice-Chair
Representative Leo Biasiucci
Representative Tim Dunn

Representative Melody Hernandez
Representative Mariana Sandoval
Representative Stephanie Stahl-Hamilton

TABLE OF CONTENTS

I. International Trade Plan 2023

- A. Statement*
- B. Objectives and Mission of the Plan*
- C. International Trade Process Flow*
- D. Countries for Consideration*
- E. ACA International Trade Offices*
- F. Government Relations, Regulation & Tourism*
- G. Outcome of the Plan*
- H. Adoption of the Plan 2023*

II. Appendix

- A. House Research Staff Presentation Slide Deck*
- B. Canada - Data and Information*
- C. Brazil - Data and Information*
- D. UK - Data and Information*
- E. Romania - Data and Information*
- F. Mexico - Data and Information*

I. International Trade Plan 2023

A. Statement

The House Committee on International Trade (Committee) was established by the Speaker of the House of Representatives, Ben Toma, in February 2023. The purpose of the Committee is to review opportunities for Arizona to grow its international presence and stature, build relationships with international partners, enhance trade and foreign investment and strengthen border security. The Committee is responsible for organizing visits of international dignitaries to Arizona and to organize joint events with those dignitaries. The Committee must identify and work with outside organizations to strengthen Arizona's relationships. Finally, the Committee must hold hearings related to foreign trade, international affairs, and border security.

The House of Representatives has been reaching out to organizations in Arizona to open discussion on an International Trade Plan (Plan). This comes following the establishment of the Committee, with Representative David Cook as Chair and Representative Justin Wilmeth as Vice-Chair. Working closely with Speaker Ben Toma, the Chairman addressed the Plan for conducting international trade. This Plan has been presented to and received positive feedback by organizations whose expertise provide insights and data-driven decision-making for committee members. These areas of expertise include but are not limited to, international affairs, local private and public partnerships and global business.

B. Objectives and Mission of the Plan

The objectives of the Plan are to:

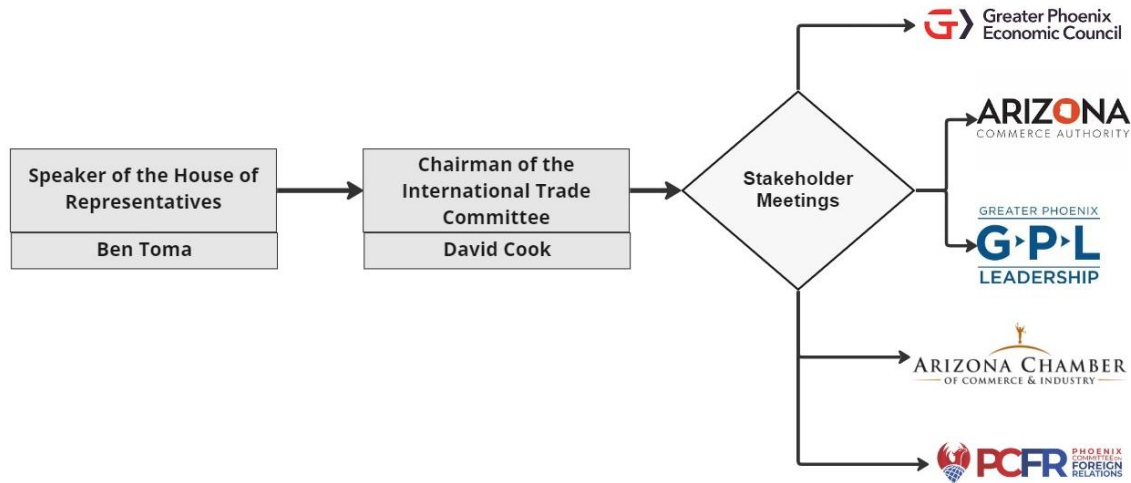
1. Strengthen bilateral ties with existing international partners;
2. Attract more Foreign Direct Investment (FDI) to Arizona; and
3. Extend Arizona's international reach for sustaining a resilient and growing economy.

The Plan's mission is to enact trade missions to travel and connect with counterparts and establish Arizonan international trade offices.

C. International Trade Process Flow

The process flow for opening discussion on the Plan started with the coordination of the Speaker of the House and Chairman of the International Trade committee to conduct stakeholder meetings with Arizonan organizations that could share their insights based on data and expertise on international trade. As such, Chairman Cook, Vice-Chair Wilmeth and Representative Stahl-Hamilton conducted stakeholder meetings with organizations like the Greater Phoenix Economic Council (GPEC), the Arizona Commerce Authority (ACA), the Greater Phoenix Leadership (GPL), the Arizona Chamber of Commerce and Industry (ACCI) and the Phoenix Committee on Foreign Relations (PCFR).

Process flow frame:



The Plan outlines a requirement to keep engaging with organizations such as those outlined above to continue driving the objectives and mission of the Plan. Additional stakeholder organizations will be included as the Committee moves forward.

D. Countries for Consideration

After consultation with stakeholders and approval from House Leadership, the following countries have been identified where the Plan can be implemented:

- Canada:
 - Regional trade office model
- Brazil:
 - Regional trade office model
- The United Kingdom:
 - Utilize Germany regional trade office for extension into UK
- Romania:
 - Regional trade office model for Eastern Europe, Balkan states, Adriatic and Baltic seas
- Mexico:
 - Performance reviews of existing offices
 - Regional trade office model

More data and information about these countries are outlined in the [Appendix](#) section at the end of the Plan.

E. ACA International Trade Offices

The Plan intends to use ACA's process for setting up international trade offices.

Details about this process has been shared by the ACA as follows:

In terms of financing, there is no uniformity relating to the cost or funding of the offices. The pricing of each office attempts to reflect the country's market size and the requisite scope of the operation.

The three Mexico offices (Mexico City, Chihuahua and Guanajuato) are funded at a combined amount of \$500,000 annually. The Israel office in Tel Aviv is funded at \$300,000. The Europe office based in Frankfurt, Germany, is funded at \$500,000. The two newest offices (South Korea and Taiwan) are funded at a combined amount of \$750,000.

According to ACA, for most markets a funding level of \$500,000 is the proper amount sufficient to fund not just a contractor/team in-country and office rental, but also funding to assist Arizona companies (particularly small and medium-sized companies) to benefit from the offices through participation in trade shows and business-to-business (B2B) and business-to-government (B2G) trade missions. Such initiatives give Arizona companies the opportunity to connect with potential sales channel partners (distributors and representatives) and end-buyers and -users.

ACA staffs the offices with in-country consultants who are selected through a competitive bid process. In the case of the Europe office based in Germany, the contractor is a consulting firm that also has European offices in Paris, London, Dublin and Belfast, which provides wider Europe coverage and assistance for Arizona. This regional trade office model has been accepted by the Committee for implementation on the selected countries. Specifically for the case on UK, the Germany office will be utilized as an extension, which would require lower costs as opposed to opening a new trade office within the UK.

Funding for trade offices covers the following:

- 1) Consultant/contractor's professional fees;
- 2) Office rental and related office expenses; and
- 3) Essential travel by office personnel to carry out contractors' dual tasks of trade/export assistance to Arizona companies and FDI.

Funding is also utilized for booth space and associated costs to enable Arizona companies (particularly small and medium-sized) to participate at key international trade shows/expos in the various country markets as well as to participate in B2B/B2G trade missions.

The breakdown of these costs varies depending upon each office location, factoring in disparate costs of primarily professional fees and rents. ACA states a trade office that is underfunded and thus does not enable Arizona company B2B/B2G activity in a country is not going to be able to deliver the requisite value.

According to ACA, the ideal scenario for selecting a country is to marry the intention and wisdom of the Governor, the Legislature, and ACA's international trade and investment team. ACA argues

that it is best not to designate the actual city in the legislative appropriation language. This would allow for some potentially important flexibility that would factor in changes in safety and security in a city or region of a country, and perhaps most importantly where ultimately the best consultant/contractor is based in the country. For example, with the Germany office, key considerations were Frankfurt's position as the largest financial hub in continental Europe, the strong interconnectivity throughout Europe provided by Frankfurt's international airport, and the ease of access to both Berlin and Munich in Germany, among other considerations. In the case of Taiwan, the city of Taipei is the economic and political capital of the country. In the case of South Korea, Seoul is the economic and political capital of the country.

F. Government Relations, Regulation & Tourism

The Plan should address whether there are state or federal regulations hindering international trade and businesses conducting trade and whether Arizona could facilitate trade. Examples of barriers can be, but are not limited to, seasonal limitations, custom borders, taxes for certain products and/or services and travel distances.

During stakeholder meetings, it has been agreed that boosting tourism in Arizona and the greater region around Arizona is also an outcome to achieve. For example, Arizona's growing economy will attract more intercontinental visitors, will allow the state and private sectors to partner with entities such as the Arizona Office of Tourism (AOT) to develop international advertising strategies and expand direct flight destinations for increased passenger volumes.

As such, the Plan also seeks to advance tourism in Arizona. The Committee and stakeholders consider boosting the tourism sector in addition to establishing new trade routes.

Expanding tourism in Arizona can include but are not limited to:

- Having AOT develop an international advertising strategy program like its [domestic program](#); or
- Promoting the [Appreciate AZ](#) program internationally such as in selected countries for trade missions.

The Plan should also encompass and integrate AOT's strategic plan for increasing flight bookings, average spend and frequency of positive international article coverage by expanding marketing campaigns to larger tour operators to increase the diversity of Arizona's product offerings and utilizing AOT's expansion on international spend tracking options on how travelers spend (AOT only uses VisaVue).

G. Outcome of the Plan

The outcome of these trade missions is to enhance B2B and B2G relations with existing partners, including facilitating trade, exploring cost-saving projects for state government, local municipalities and cities and optimizing Public Private Partnership (PPP) opportunities for a sustainable and resilient Arizonan economy.

It was reiterated by the Committee and during stakeholder meetings that part of the trade missions as enacted by the Plan must ensure a degree of coverage for promoting tourism in Arizona.

H. Adoption of the Plan 2023

On April 10, 2023, during the first Committee hearing, House Research staff presented the Plan in front of the Committee as directed by the Chairman of the Committee.

The Committee unanimously adopted the Plan with seven votes of ayes on the same day.

A video recording of the Committee can be found at: <https://bit.ly/3nXMt0C>.

Respectfully submitted by:

Luca Moldovan

Legislative Research Analyst, House Committee on International Trade

II. Appendix

The data and information presented below has been gathered and compiled by House Research staff as a result of stakeholder meetings and provided an informational basis to Committee members prior to the Plan's approval that was adopted on April 10, 2023.

Appendix A: House Research Staff Presentation Slide Deck

Date: April 10, 2023



International Trade
Plan.pdf

Appendix B: Canada - Data and Information

ACA FDI Profile Report on Canada:



Arizona-Canada
Trade and FDI Profil

With over \$2.3 billion of exports to Canada and \$2.33 billion of imports in 2021, the Arizona-Canada binational Terms of Trade (ToT) of 98.71% was in near perfect equilibrium and is one of the most important economic exchanges in terms of value for the state of Arizona. Canada's imports had a steady growth, with 76.92% increase over the last 5 years, from \$1.3 bn in 2016 to \$2.3 bn in 2021. The pandemic did not stop this growth. This makes Canada Arizona's largest FDI contributor, with an approximate cumulative sum of \$1.12 billion Canadian companies investing in Arizona between 2016 and 2022, according to ACA's FDI profile report.

Most recently, the Canada-Arizona Business Council's first quarterly report indicates more capital market investments soon and a Canadian trade office is currently being planned to open in Arizona.

So far, Arizona has not implemented a trade office in Canada. The International Trade Committee's Plan should prioritize Canada, which could take the form of a regional trade office.

The following are some facts highlighting Canada's relationship with Arizona, socially and economically. These should only be informative to the reader.

Best Flight Connection

Calgary - 3hr flight with Delta:

- Phoenix departure 8:55am
- Arrival Calgary 12:55pm (YYC)

Toronto - 4hr15min flight with Air Canada:

- Phoenix departure 11:50am
- Arrival Toronto 7:05pm (YYZ)

Montreal - 7h56min flight with Air Canada:

- Phoenix departure 11:50am
- Toronto layover (2h20min) (YYZ)
- Arrival Montreal 10:46pm (YUL)

Best Time for Travel

The Summer or the Fall are the best seasons for traveling to Canada.

Canadian Businesses in Arizona

The following table lists Canadian businesses that have invested into Arizona and that may represent further room for trade collaboration and binational expansion. Please note that this list is non-exhaustive.

Companies	Description
XNRGY Climate Systems	Designing, engineering and manufacturing sustainable innovative solutions to decarbonize HVAC Drives, energy, water consumption solutions and climate technologies; invested \$300m in HQ in Arizona
Hypertec	Global provider of Information Technology (IT) products and services, HQ-ed in Quebec, US HQ in Tempe; global hardware partners such as Intel, AMD, Nvidia, Cisco. Providing solutions such as immersing colling, Artificial Intelligence (AI), blockchain, edge computing and data analytics
Bombardier	Aircraft maintenance facility in Tucson and service center in Scottsdale; Environmental, Social and Governance program and new Challenger 3500 launch
Mitel Networks	Providing communication software and hardware to companies, actively modernizing Unified Communications tech, has a location in Mesa
Magellan Airspace	Aircraft engine and structure assembly manufacturer, with two locations in Glendale, repairing gas turbine engines and manufacturing magnesium and aluminum sand castings
Liberty Utilities (owner: Algonquin Power & Utilities Corp.) Tucson Electric Power UniSource Energy Services (owner Fortis Inc.)	Three utility companies in Arizona owned by Canadian-HQ-ed companies
CGI	End-to-end services provider, IT consulting and system integration company, with office in Tucson
APEL Extrusions	Major aluminum extrusion facility and \$36.1m invested in HQ relocated in Arizona
Exro Technologies	Leading clean technology company developing new generation power electronics that change how the world optimizes energy by expanding the capabilities of electric motors and batteries, \$7.1m invested in HQ in Arizona, e-mobility and energy storage solutions
Symboticware	Software and IT services providing Diagnostics AI engine for vehicle's maintenance costs and survivability analysis and end-to-end system for data-backed AI-insights, \$1.4m invested in HQ in Arizona

Enhance Government Regulation Relations

The Canada-Arizona Business Council meeting showcased a Canadian version of the PPP model, that has been perfected over 25 years. Part of the presenters of this meeting were bankers from the Royal Bank of Canada and the National Bank of Canada. The PPP model showcased the importance of having the private sector mitigate risk for these mega infrastructure projects that

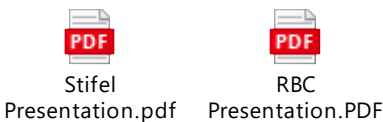
could heavily impeded state government. The concept is to allow the public sector the liberty of choosing what type of projects to implement while allowing private entities to invest and deliver on its socio-economic promises.

Important private capital investment plans have been presented during the meeting, including the largest private sector investment in the City of Tempe's history. The professional ice hockey team, Arizona Coyotes, will invest \$2.1 billion in private funds into a site to transform the area from a landfill into a 365-day a year mixed-use entertainment district with retail, hospitality, office and residential uses. An additional \$200 million in funds will be necessary to clean up the site and improve public infrastructure around it. This PPP example illustrates that:

- 1) These bonds will be standalone and no taxpayers' dollars will be at risk;
- 2) General fund revenues will not be used; and
- 3) Credit rating of the city will not be affected.

To approve this project, the City of Tempe will vote on Propositions 301, 302 and 303 on or before May 16th, 2023. More information on this project can be found on Tempewins.com.

More details on the PPP model can be found here:



Tourism and Canadian Community in Arizona

In 2019, there were 963,650 Canadian visitors in Arizona. Canadian visitors are often referred to as "snowbirds", which translates to escaping the Canadian winter.

Top travel motivators for Canadians:

- 44% cultural/historical attractions
- 41% dining/gastronomy
- 38% shopping

Visitor characteristics:

- Average age of 45
- Average household income of \$76,323
- Average travel party of 58% for two persons and 21% for one

Arizona direct arrivals:

- 32% from Calgary
- 24% from Vancouver
- 21% from Toronto

Regions in Arizona frequented by Canadians:

- Northern 2%
- Phoenix and Central 79%
- West Coast 10%
- Tucson and Southern 7%
- North Central 2%

Approximately 58% of Canadians travelled in the fourth quarter of the year (Q4).

Appendix C: Brazil - Data and Information

ACA FDI Profile Report on Brazil:



Arizona-Brazil Trade
and FDI Profile 2022

With over \$375 million of exports to Brazil and \$269 million of imports in 2021, the Arizona-Brazil binational ToT of 139.41% represents a positive balance of trade for the state of Arizona. According to the ACA's FDI Profile 2022 report, Brazil was Arizona's largest export market for pesticides, fertilizers, and other agricultural chemicals. Among all states, Arizona ranks third for audio and video equipment exports to Brazil.

With a diverse economy, Brazil is the largest consumer market and gross domestic product in South America, according to the International Trade Administration. The United States remains its second-largest trading partner in terms of imports. Brazil, with São Paulo its business capital, is home to Embraer, leading aerospace research and development in South America. In Arizona, a recent example of FDI from Brazil was the \$4.2 million from Align Technologies in the medical industry.

Best Flight Connections

13hr flight with American Airlines (AA):

- Phoenix departure 3:35pm
- Dallas layover (44min) (DFW)
- Arrival São Paulo 8:35am (GRU)

13h11min flight with United:

- Phoenix departure 4:19pm
- Houston layover (50min) (IAH)
- Arrival Sao Paulo 9:30am (GRU)

Best Time for Travel

The periods between March to May or October to November are the best times for traveling to Brazil.

Brazilian Businesses in Arizona

The following table lists Brazilian businesses that have invested into Arizona and that may represent further room for trade collaboration and binational expansion. Please note that this list is non-exhaustive.

Companies	Description
Embraer	HQ-ed in São José dos Campos, it is the leading industrial and research center in aerospace sciences Latin America.
WEG	One of the largest electric motor manufacturers in the world with more than 21 million units produced annually
Global Aviation Partnership	Comprising of Vertical Aerospace, Avolon, Corporation America Airports, GOL and Grupo Comporte; partnership focusing on Advanced Air Mobility (AAM) for electrical Vertical Take-off and Landing (eVTOL) commercialization
JBS	Beef production for consumers
Sigma Lithium Resources Group	Brazilian startup for largest hard rock lithium deposits in the Americas in the mining-friendly state of Minas Gerais, with goal to reach net-zero by 2024, a potential Electric Vehicle (EV) market boost for Arizona

Brazilian Binational Regulation

The International Trade Committee should identify areas for expansion, but is not limited to:

- Boosting Arizonan exports on semiconductor, navigational, measuring, electromedical and control instruments to Brazil;
- Boosting trade on Brazil's aerospace products and parts, whereby Arizona is top 3 importer among all other US states;
- Expanding trade on ventilation, heating, air-conditioning and commercial refrigeration equipment; Arizona is top 8 importer in this category among all other US states; and
- Focusing on raw material imports related to semiconductor and the EV industries, establishing resilient supply chains for local chip and EV producers located in Arizona.

Tourism and Brazilian Community in Arizona

In 2019, there were approximately 22,380 Brazilian visitors in Arizona. There is a Brazilian community of over 4,000 in the Phoenix metro area and [Casa Brazil](#) (founded in 2003) is a non-profit organization according to IRS 501© (3) rules and regulations. Casa Brazil was founded with the purpose of assisting children in underprivileged communities in Brazil. More recently, Arizona State University hosted the FIFA World Cup watch parties, where local Brazilians watched live soccer matches.

To further promote binational tourism between Arizona and Brazil, the International Trade Committee should address tourism, in partnership with AOT, cultural promotions such as:

- Developing tourism centered on sports culture like soccer in Arizona that could attract more Brazilian FDI and sustain tourism; or
- Establishing direct flights between Arizona and Brazil.

Appendix D: UK - Data and Information

ACA FDI Profile Report on the UK:



Arizona-United
Kingdom Trade and

With over \$582 million of exports to the UK and \$862 million of imports in 2021, the Arizona-UK binational ToT of 67.52% outputs important economic value to the state of Arizona. According to the ACA's FDI profile 2023 report, the UK was Arizona's 9th largest export market in 2021. The most significant exports and imports in terms of dollar value were in aerospace products and parts (\$184m in Arizonan exports and \$118m in UK imports), semiconductors and other electronic components (\$46m in Arizonan exports) and NMEC instruments (navigational, measuring, electromedical, and control instruments) (\$52m of UK imports).

The UK FDI in Arizona with the most activity was in the business services sector, with 10 projects out of 20 from 2016 to 2022. According to D&B Hoovers, there are more than 400 business establishments in Arizona with an ultimate parent company in the UK.

Arizona's FDI to the UK is equally significant, with 7 out of 20 of Arizonan investment activity in the software and IT services sector.

It has been discussed and agreed during the stakeholders meeting that the UK's trade office efforts will act as an extension to ACA's newly established trade office in Frankfurt, Germany. This implies no further appropriations required to form a new trade office within the UK, as the office in Germany acts as a regional trade office to Western Europe.

Best Flight Connection

9hr55min flight with AA/British Airways (BA):

- Phoenix departure 7:30pm
- Arrival London 1:25pm (LHR)

Chosen Time for Travel

The month of September has been chosen for potential travel to the UK.

UK Businesses in Arizona

The following table lists UK businesses that have invested into Arizona and that may represent further room for trade collaboration and binational expansion. Please note that this list is non-exhaustive.

Companies	Description
Parker Meggitt	Based in Coventry, UK, focusing on aerospace, defense and selected energy markets (Secureplane is a subsidiary based in Arizona)
BAE Systems	Based in Farnborough, UK, focusing on advanced defense technologies, airspace and cyber security
Darktrace	Based in Cambridge, UK, focusing on defensive AI-driven technology for protecting large businesses and government agencies
Balfour Beatty	Based in London, UK, a construction infrastructure company with a local office in Scottsdale
Halma	Group of companies for protection and safety of people, focusing on safety, environment and analysis, healthcare technologies (has a subsidiary called Firetrace located in Scottsdale)
Advanced Mobility Ecosystem Consortium	Consisting of Vertical Aerospace, Virgin Atlantic, Atkins, Skyports and NATS, along with Connected Places Catapult and leading academic institutions Cranfield University and WMG, University of Warwick; it is an eVTOL partnership
Pearson Education	A publishing and education company, with a 135,000 square foot location in Chandler providing marketing, curriculum, engagement, software and support operations including digital learning experiences at scale (140m users of their products/services in 2021)
Wood	An engineering consultant firm, HQ-ed in Aberdeen, UK, with two offices in Phoenix and one in Mesa, focusing on energy security and digital transformation solutions for future-ready industry
Skyports	A leading provider of infrastructure for the AAM industry; has a heliport in Canary Wharf, UK
Deloitte	One of the "Big Four" with an office in Tempe

Enhance Government Relations & Business Facilitation

Considerations could be addressed on endorsing the continuation of study committees relating to AAM or Unmanned Air Mobility (UAM) regulation in Arizona, similarly to the UAM study committee established in 2022 and considerations on facilitating B2B interactions between prominent consulting firms and Arizonan companies, particularly in technology and innovation.

The Federal Aviation Administration in collaboration with the National Aeronautics and Space Administration issued a [draft](#) interim guidance to support the design and operation of facilities for eVTOL aircraft for initial operations.

Tourism and UK Community in Arizona

In 2019, there were 126,530 UK visitors in Arizona. UK tourists are the second largest group of the City of Scottsdale's overseas visitors, after German tourists.

Top travel motivators for UK tourists:

- Cultural historic attractions
- Local lifestyle

- Urban attractions

Visitor characteristics:

- Average age of 45
- Average household income of \$76,323
- Average travel party of 1.8 persons (couples or single travelers)

Arizonan regions frequented:

- | | |
|---------------------------|---------------------------|
| - Northern 5% | - Tucson and Southern 14% |
| - Phoenix and Central 68% | - North Central 5% |
| - West Coast 8% | |

Approximately 45% of UK tourists travelled in Q4.

Appendix E: Romania - Data and Information

ACA FDI Profile Report on Romania:



Arizona-Romania
Trade and FDI Profil

Romania, located in the Balkan region of Eastern Europe, is strategically situated on the western Black Sea coast. The country shares a border with Ukraine, Hungary, Serbia, Bulgaria and the Republic of Moldova. Romania is currently one of the most active participating NATO members and is part of the European Union. Currently, the nation is on the European Union Commission's discussion table for joining the Schengen area. The Schengen area allows more than 400 million people to travel freely between member countries without going through border controls.

Romania is one of the fastest growing economies in Europe. According to the World Bank, Romania's economy recovered at 5.9% in 2021 and performed better-than-expected in the first half of 2022, with a growth of 5.8%. This comes despite a significant pick-up in inflation, the COVID-19 pandemic and now increased uncertainty due to the war in Ukraine. The growth is mainly fueled by increased activity in commerce and services, as private consumption remained the main engine of the economy. The Information, Communication and Technology (ICT) sector contributed greatly to this growth.

With over \$38 million of exports to Romania and \$8 million of imports to Arizona between 2013 and 2018. Aerospace products and parts exports to Romania represented a dollar value of \$25.6m (2018). Additionally, Arizonan semiconductor companies have several stakes in Romania, pooling in talented workforce in the fields of Science, Technology, Engineering and Mathematics (STEM). Some of these companies with FDI in Romania include Microchip, Avnet Technology Solutions, ON Semiconductor Corporation and Benchmark Electronics.

It has been discussed and agreed during the stakeholder meetings that Romania represents a strategic region for Arizona to establish a regional trade office that would cover the entire Eastern European region. Within the context of the conflict currently happening in Ukraine and its strategic geographical positioning connecting the Romanian port of Constanța with Central Europe through the Danube River, an ACA regional trade office would allow Arizona to strategically position itself and ready its trading routes for Ukraine's reconstruction phase once the conflict ends and Eastern European trade.

Best Flight Connection

19hr00min flight with BA:

- Phoenix departure 7:30pm
- London layover 5h50min (LHR)
- Arrival Bucharest 12:30am (OTP)

Best Time for Travel

The period between April to October is the best time to travel to Romania.

Romanian Organizations for Consideration

The following table lists Romanian organizations that may present room for trade collaboration and binational expansion. Please note that this list is non-exhaustive.

Companies	Description
UiPath	An automation platform founded by Romanians that is listed on the New York Stock Exchange; leader in Robotic Process Automation systems
Lockheed Martin's STELaRLab ¹	A partnership with Technical University of Cluj-Napoca (TUCN), focusing on AI research, one of only two R&D centers outside the US, second to the one in Australia
ROMGAZ	A state-owned energy company partnering with ExxonMobile (50% stake) and OMV Petrom for the Neptun Deep offshore block, focusing on natural gas extraction in the Black Sea
Bitdefender	A global leader in cybersecurity technology
ON Semiconductor Corp.	HQ-ed in Phoenix, ON Semi operates a design center in Bucharest, Romania
Avnet Inc.	HQ-ed in Phoenix, a distributor of electronic components, computer products, and embedded technology, with multiple locations in Romania
Microchip Technology Inc	HQ-ed in Chandler, a microcontroller and analog semiconductor provider, with a sales and distribution operations in Romania
StandardAero	HQ-ed in Scottsdale, one of the world's largest independent providers of services including engine and airframe maintenance, repair and overhaul, engine component repair, engineering services, interior completions and paint applications with two facilities in Romania
Nuclearelectrica	A nuclear energy provider conducting a project for the first Small Modular Reactor (SMRs) in Europe, partnering with Nova Power & Gas. A launched joint venture with RoPower Nuclear for the development of SMRs in Romania, with SMR technology provided by NuScale Power of Portland, Oregon; a project generating over 200 permanent jobs in the power plant, as well as 1,500 jobs in construction sector and 2,300 jobs in production sector. In addition, the VOYGR plant will help Romania avoid over 4 million tons of CO2 emissions per year while bringing additional benefits to the local community
National Institute of Physics and Nuclear Engineering Horia Hulubei (IFIN-HH)	A national institute developing the Extreme Light Infrastructure–Nuclear Physics (or ELI-NP) project; considered to be the most powerful laser in the world with two lasers each generating 10 petawatts; a highly cost-effective means to conduct 'big science' in physics, biology and materials science, including cancer research and advanced laser technologies

¹ The Lockheed Martin partnership is an effort to work closely with TUCN to develop essential AI solutions that will help tackle some of the world's greatest challenges, including humanitarian assistance and disaster relief. Cluj-Napoca county in northern Romania is an approximate 4hr drive to the Ukrainian border.

Enhance Government Relations

SelectUSA will be hosting a [summit](#) on May 1-4, 2023, which is dedicated to promoting FDI in the US. Romanian startups and companies will be attending this event. They are seeking to invest in the US. Members from GPEC will be participating as well and will connect with these companies. These companies work in various industries, ranging from trading associations to ICT and software platforms.

The list of Romanian companies that will be present:



Tourism and Romanian Community in Arizona

There are over 86,000 Romanian Americans living in Arizona.

The Romanian Americans are spread across many communities including churches. Some of their churches for instance have several missions abroad and their members often travel during summers to Romania to connect with local businesses, particularly non-profits, humanitarian organizations and churches providing relief to disadvantaged communities, including orphaned children and people with disabilities.

Arizona State University's Cultural and Literacy Center for Romanian studies is the largest one in the US. The exchange programs promoting Romanian history and culture is highly popular to students.

Romania historically outputted an array of STEM experts such as Dr. Ioan Cosmescu, founder of [IC Medical](#). He is the inventor of the laser scalpel used in LASIK eye surgery and currently lives in Arizona.

Romanian businesses in Arizona most noticeably deal in real estate, centers for elder care, logistics, the motor vehicle and IT industries.

Appendix F: Mexico - Data and Information

ACA FDI Profile Report on Mexico:



Arizona-Mexico
Trade and FDI Profil

In 2022, Arizona's total exports to Mexico were around \$8.7 billion and total imports from Mexico were around \$10.9 billion. This accounted for 32.1% of Arizona's 2022 exports, making it the largest export market, according to the ACA's FDI profile report for Mexico. With a ToT of 79.82%, Arizona's trade with Mexico is stable, with both exports and imports increasing over the past 3 years.

Arizona's top exports to Mexico for 2022 were metal ores (approximately \$1.76 billion) and semiconductors and other electronic components (approximately \$1.24 billion), whereas Arizona's top imports from Mexico were vegetables and melons (approximately \$1.77 billion) and electrical equipment and components not elsewhere specified (approximately \$1.03 billion). Examples of Mexican companies investing into Arizona between 2016 and 2022 are ARAS Business Group (FDI of \$10.7 million) and Higueral Produce (FDI of \$38.8 million).

ACA currently operates three trade offices in Mexico, one in Chihuahua, one in Guanajuato and one in Mexico City.

After consultation in stakeholder meetings, it has been agreed to consider other regions in Mexico. The states of Guadalajara and Monterrey are showcasing significant economic growth. Consideration is on either relocating one of the existing trade offices to one of these regions by evaluating existing performance or restructure one office to incorporate regional status, like the model used for establishing the Frankfurt trade office for Western European markets.

Furthermore, it has been discussed to:

- 1) Review the current three trade offices in Mexico;
- 2) Evaluate the closure of the least performing; and
- 3) Assess the possibility of opening one in the state of Sonora and partnering with the City of Phoenix which currently has an office in the state of Sonora and the ACA does not have an office. Sonora is our largest Mexico State trading partner.